

2005 is not off to a good start. Since the bearish USDA report was released last week corn has just drifted lower and lower. The March contract seems to have found a support level at \$1.91. While basis bids remain steady, cash sales continue to be relatively slow. The funds picked up on this pessimism and offloaded about 4,000 contracts at the end of last week adding to their already huge short position. Monday was a holiday (as if that was going to magically change the outlook on the bears in the corn pit). When the markets started to trade this week they were completely lackluster and on Wednesday corn traded in an anemic 1 cent range (as one analyst put it) after the market had grinded lower and lower for 4 days. The only upside is that basis bids remain strong nationwide (and have continued to improve in Maryland in particular). Speculators were hit by two sides of the market last week – huge speculative selling and also a weak cash market. March contracts fell below the established price floor and it looked like \$5.10 was a distinct possibility. When China cancelled delivery of beans last Friday the cash market really took a hit. Basis dropped by 20 cents! This combined with the prospect of a huge South American crop and the bearish USDA report made the bull traders glad they had a long weekend ahead of them. This week beans did gradually fall and this was probably due to rains in Southern Brazil which seemed to help their crop. On Wednesday beans finished higher despite absolutely no bullish news, but, at this stage of bearishness, who cares why that happened? Moreover, the gulf basis improved sharply after the drop earlier in the week. Wheat took the biggest hit last week posting double digit losses on Friday. Spillover pressure was a major factor. Basis levels remain firm in the wheat market especially for the red spring and soft red winter classes nationwide and basis levels in general improved at the gulf which also fed into the cash market (usually traders futures price moves ‘cause’ cash moves but not in this instance). High water levels on the river should slow barges which should help gulf basis levels even further (which should help futures even more). That applies to beans, corn and wheat.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Mar05)	NEW (Dec05)	CASH (Jan05)	NEW(Nov05)	CASH(Mar05)	NEW(Jul05)
Western MD	+9	n/a	-63	n/a	-1	n/a
Central MD	+12	+5	-63	-37	+38	+14
Southern MD	+9	-10	-53	-37	-32	-31
Upper E. Sh	+22	-3	-45	-27	n/a	-27
Lower E. Sh	+27	+12	-29	-18	-22	-26

THE CROP WEATHER WILL RESUME IN APRIL 2005

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	1/11/5	1/18/5	1/11/5	1/18/5	1/11/5	1/18/5	1/11/5	1/18/5
Western Md	2.09	2.06	4.99	4.79	3.03	2.98	1.83	1.83
Central MD	2.10	2.09	5.08	4.79	3.37	3.27	2.15	2.55
Southern MD	2.12	2.06	5.13	4.89	2.77	2.67	----	----
Upper E. Shore	2.25	2.19	5.23	4.97	----	----	----	----
Lower E. Shore	2.32	2.24	5.32	5.13	2.94	2.77	1.76	1.85
Soybean Meal		Lower Eastern Shore		Dealer's Average Cash quotes (\$/ton)				
Date	1/11/5	1/18/5	Date		1/11/5	1/18/5		
48% Soybean Meal	197.00	189.00	44% Soybean Meal		185.00	177.00		
FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	1/11/5	1/18/5	1/11/5	1/18/5	1/11/5	1/18/5	1/11/5	1/18/5
Western Md	----	----	----	----	----	----	----	----
Central MD	2.42	2.32	5.27	5.01	3.08	2.99	----	----
Southern MD	2.27	2.17	5.27	5.01	2.90	2.82	1.65	1.65
Upper E Shore	2.40	2.30	5.37	5.11	2.94	2.86	1.65	1.65
Lower E Shore	2.49	2.39	5.46	5.20	2.95	2.87	1.65	1.70
GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jan 18, 2005								
Corn		Soybeans		Wheat		Soybean Meal ¹		
05Mar	196.00	05Mar	513.40	05Mar	296.40	05Mar	153.70	
05May	203.40	05May	516.20	05May	304.20	05May	154.70	
05Jul	210.40	05Jul	522.60	05Jul	311.40	05Jul	157.50	
05Sep	217.60	05Aug	525.20	05Sep	317.00	05Aug	159.00	
05Dec	227.00	05Sep	526.40	05Dec	325.00	05Sep	160.30	
06Mar	234.40	05Nov	535.60	06Mar	331.00	05Oct	161.10	

¹ \$/ton

HAY AND STRAW							
New Holland, PA - \$/ton - Jan 17, 2005 - 145 Loads							
Alfalfa 75.00-167.00		Mixed Hay 40.00-235.00		Timothy 50.00-165.00		Orchardgrass 35.00-130.00	
						Straw 70.00-210.00	
Westminister, MD - \$/bale - Jan 18, 2005 - 227 Lots							
Alfalfa 1.10-5.00		Alfalfa Mix 1.30-4.30		Timothy 1.20-3.80		Timothy Mix 1.30-2.50	
						Grass Mix 1.20-4.00	
						Straw 2.60-3.70	
						Mulch .50-1.00	
Southern, MD - Regional Farmers' Market - \$/bale - Jan 15, 2005							
Product		Lo/Hi		Avg Price		Product	
Alfalfa		3.50-5.00		4.25		Orchardgrass 3.20-4.10	
Cracked Corn		4.00-4.00		4.00		Orchardgrass 3.75-4.10	
Lespedeza		3.60-3.60		3.60		Straw 2.50-2.80	
Mixed Grass		1.90-4.00		3.10		Timothy 4.00-4.75	
Shelled Corn		4.00-4.00		4.00		Timothy Mixed 3.75-3.75	
POULTRY (Grade A) - Week Ending - Jan 22, 2005							
				Current Week		Week Ago	
NY Wtd Avg. (Fryers)				71.21		71.08	
12 City Composite				72.05		72.01	
						Month Ago	
						64.07	
						67.58	
						68.00	
						67.70	
LAMBS - Westminster, MD - \$/cwt - Jan 18, 2005							
30- 50 lbs		127.50-152.00		110-140 lbs		105.00-125.00	
60-100 lbs		125.00-187.50				Sheep Old Sheep	
						45.00-105.00	
TERMINAL MARKETS HOGS - Jan 18, 2005				DIRECT MARKET HOGS - Westminster, MD - Jan 18, 2004			
Base Price Range (\$/cwt) a.m.		Carcass Basis Base 185 lb Hog		Sows (1-3) 300-449 lbs		Butcher Hogs 215- 260 lbs	
						47.00-52.50	
						up to 410 lbs	
						43.00-46.00	
						all weights	
						40.00-47.25	
						20.50-40.00	
Iowa, Minn		62.00-73.75		37.00-48.85			
Eastern Cornbelt		61.00-74.00		44.45-52.24		Millsboro, DE Market Hogs - (\$/cwt) - \$ 46.00	
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE - Jan 18, 2005				New Holland, PA - Jan 21, 2005			
Head: 197		Trend: None		Head:		Trend:	
Under 30 lbs		121.00-150.00		50-59 lbs		75.00-85.00	
30-39 lbs		113.00-155.00		60-69 lbs		69.00-77.00	
40-49 lbs		70.00-105.00		70-79 lbs		55.00-66.00	
NONE							
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 18, 2005				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 18, 2005			
Jan05		93.00		Apr05		89.43	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	
Feb05		91.13		Jun05		83.18	
Mar05		91.80		Aug05		81.33	

For more information about this report, call 410-841-5740 or write:

MARYLAND DEPARTMENT OF AGRICULTURE
AGRICULTURAL STATISTICS SERVICE
50 Harry S Truman Parkway
Annapolis, MD 21401

Robert L. Ehrlich, Jr. Governor
Michael S. Steele Lt. Governor
Lewis R. Riley Secretary of Agriculture
John R. Brooks, DVM Deputy Secretary